

for the exclusive use of aircraft of the same airlines operating the agreed air-services, are exempt from Customs duties and other fiscal charges, subject to the Customs regulations of the second Contracting Party.

2. The aircraft of the designated airline engaged in the agreed services in flights from, to or across the territory of a Contracting Party, are admitted into the territory of the other Contracting Party temporarily free from customs duties, inspection fees and other similar charges.

3. Fuel, lubricating oils, aircraft stores, spare parts and normal equipment retained on board aircraft of the designated airlines of a Contracting Party, authorized to operate the agreed services, are on the territory of the other Contracting Party exempt from Customs duties and other similar charges, even when they are used or consumed during flights over the said territory.

4. Fuel, lubricating oils, spare parts, aircraft stores and normal equipment which are exempt from any duties and charges under the provisions of the above paragraphs cannot be unloaded without the permission of the Customs authorities of the other Contracting Party.

When they cannot be employed they shall be re-exported. Waiting for their use or re-exportation, they shall be kept under the supervision of the Customs authorities.

ARTICLE V

1. There shall be fair and equal opportunity for the airlines of both Contracting Parties to operate the agreed services on the specified routes between and beyond their respective territories.

2. In operating the agreed services, the airlines of each Contracting Party shall take into account the interests of the airlines of the other Contracting Party so as not to affect unduly the services which the latter provide on the whole or part of the same route.

3. The agreed services provided by the designated airlines of the Contracting Party shall bear reasonable relationship to the requirements of the public for transportation on the specified routes and shall have as their primary objectives the provisions, at a reasonable load factor, of capacity adequate to carry the current and reasonably anticipated requirements for the carriage of passengers, cargo and mail between the territories of the Contracting Parties.

4. Provision for the carriage of passengers, cargo and mail both taken up and put down at points on the specified routes in the territories of the Contracting Parties other than that designating the airline shall be made in accordance with the general principle that capacity shall be related to:

- (a) traffic requirements to and from the territory of the Contracting Party which has designated the airline;
- (b) traffic requirements of the area through which the airline passes, after taking account of other transport services established by airlines of the Contracting Parties comprising the area; and
- (c) the requirements of through airline operation.

5. Before inauguration of the agreed services and for the subsequent changes of capacity, the aeronautical authorities of the Contracting Parties shall agree to the practical application of the principles contained in the previous paragraphs of this Article regarding the operation of the agreed services by the designated airlines.